

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF AUSTIN:

Notice is hereby given that a Special Meeting of the City Council of the City of Austin will be held on the 24th day of March, 1958, at the Municipal Building, Eighth and Colorado, in Austin, Texas, at 2:30 P.M. for the purpose of discussing with Mr. John Fundt of Dallas, a proposition to furnish gas to the Power Plant.

(Sgd) Elsie Woosley
City Clerk

(Sgd) Tom Miller
Mayor
City of Austin, Texas

ATTEST:

(Sgd) Elsie Woosley
City Clerk

CONSENT TO MEETING

We, the undersigned members of the City Council, hereby accept service of the foregoing notice, waiving any and all irregularities in such service and such notice, and consent and agree that said City Council shall meet at the time and place therein named, and for the purpose therein stated.

(Sgd) Emma Long

(Sgd) Wesley Pearson

(Sgd) Lester E. Palmer

(Sgd) Ben White

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

March 24, 1958
2:30 P.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Miller presiding.

Roll call:

Present: Councilmen Long, Palmer, Pearson, White, Mayor Miller
Absent: None

Present also: W. T. Williams, Jr., City Manager; Doren R. Eskew, City Attorney; D. C. Kinney, Director of Electric Utility.

The Mayor announced that this was a special meeting called to discuss with MR. JOHN PUNDT of Dallas, a proposition to furnish gas to the Power Plant.

MR. JOHN PUNDT stated his company had taken into their area a lot of new counties and had agreed to contract and purchase up to the present time some 60 producing gas wells that are now closed in, and that there were 100 more in the area available to them as soon as they could get to them. Their gas would come out of about 60 or 70 gas fields from five or six counties. He stated he had markets for this gas that he could not even think of supplying. Since he had to give his producers a take-date, he needed this letter of intent from the City, and he stated if the City did not want to give him this letter, he would withdraw his offer. He displayed maps showing the fields and stated none of his wells that he had mentioned had ever been on a pipe line.

Mr. Pundt was asked if the contract were completed, and if he ever wanted to sell his company or his interest, would he give Austin the right to refuse it. Mr. Pundt did not want to take the authority to say. He was also asked if the Corporation that owned the gas would be the one that would negotiate with the City. Mr. Pundt stated the contract would be with the Corporation that owned the gas.

Present with Mr. Pundt were MR. DOYLE THOMAS, MR. N. A. SAIGH, and MR. WILLIAM VON PHUL.

Discussions covered the financing; the necessity of continuous buying of reserves; the amount of gas the City would buy--whether a certain number of cubic feet or all of the reserves, or just enough to justify the financing of the lines; the company's ability to supply enough surplus so that Austin could get more industries; about the sudden seriousness of the shortage of gas in the State; the distance of the supply point being 160 miles from Austin, and

the number of gathering lines; the length of life of shallow wells; the proposed 12" line into Austin to the new location of the plant, and the sufficiency of delivery at 100 pound pressure; the cost of six or seven million dollars to build a feeder line into Austin.

Also covered in the discussion was the provision of the contract concerning the supplying of fuel oil in case the gas supply were cut off.

The letter of intent was read and discussed in detail, with the City Attorney pointing out certain changes that had been made and how certain figures were arrived at, and about the assignment of the contract.

As to the time for the City's engineers to check the data submitted, it was suggested that 45 days should be sufficient. Mr. Pundt wanted to approve the City's selection of engineers, or have the City approve theirs, as his company was spending thousands of dollars to get the data for the City.

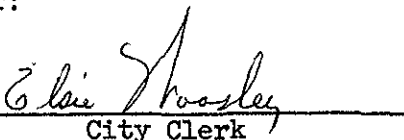
MAYOR MILLER gave a history of the gas situation in Austin from the time of artificial gas until the present time, and of the present contract with Southern Union, and their agreement to run a 20" pipe line to the new power plant location. He stated this was a tremendous thing and would amount to an expenditure of over 143 million dollars. He suggested that each member of the Council appoint five men and call them together in a meeting to inform them of this proposal and of the status. Mr. Pundt did not want the Council to postpone action today. Mayor Miller gave the status of the services from United and Southern Union Gas, who claim they have adequate backing, and who have lived up to their contract. Mr. Pundt felt that by calling in other people, the whole situation would be jeopardized, and he stated to relieve the Council, he could withdraw; that he had given Austin a lot of time, and he was ready to enter into a contract with producers and have a standing firm offer. After discussion, Mr. Pundt stated another 24 hours would suit him allright, but he did not think he could be present at the meeting as he had another engagement. The Mayor tried to set a time that he could be present to meet with this committee. The Mayor then called a meeting of the Council for 3:30, March 25, 1958, to meet with Mr. Pundt and a committee which the Council members would appoint - each Council member and the City Manager appointing five citizens. Mr. Pundt stated he would do his best to be present.

There being no further business, the Council adjourned, subject to the call of the Mayor.

APPROVED


Mayor

ATTEST:


City Clerk